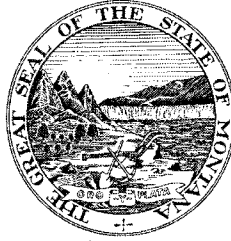


OFFICE OF THE LIEUTENANT GOVERNOR  
STATE OF MONTANA

BRIAN SCHWEITZER  
GOVERNOR



JOHN BOHLINGER  
LT. GOVERNOR

SB 8 Testimony

*Madam*

Thank you ~~Mr.~~ Chair. For the record my name is John Bohlinger, Lt. Governor of the State of Montana. I come to you as a strong proponent of SB 8. This bill <sup>*Came*</sup> ~~has come~~ to fruition because the economic stability of the Highline is hanging by a thread; that thread is the century old St. Mary Diversion System, that moves water from the St. Mary River to the Milk River within the borders of the Blackfeet Reservation. Let me make it absolutely clear, when this canal and diversion system fails, so will the downstream economies, the livelihood of 17,000 Montanans, and 144,000 acres of farm land.

The estimated cost of rehabilitating this diversion system is \$160M and <sup>growing</sup> climbing. Under a 75/25 cost share with the federal government, \$40M of funding must come from the state and other beneficiaries. The state has pledged \$10M to the project, leaving some \$30M obligated to beneficiaries. <sup>they being the farmers & ranchers the municipalities and sportsmen</sup> SB 8 provides the ~~beneficiaries~~ <sup>back</sup> alternate funding mechanisms, for the rehabilitation of the canal, by granting them the authority to sell bonds, assess, and raise tax revenue. This <sup>\$30</sup> portion of funding, some ~~\$40~~ million and climbing, <sup>principally</sup> would otherwise fall on the irrigators, who are only one of the beneficiaries from the water moved through the canal system.

Allowing for a Regional Resource Authority, will provide the residents within the St. Mary and Milk River Basins, the opportunity to secure funds for the rehabilitation of the diversion system, to better manage the water of the basin through enhanced cooperation of all stakeholders, and to secure and advance local economies.

Furthermore, a Regional Resource Authority may only be established with the approval of the voting public, within the proposed authority boundaries. This bill is written for the people, to give them the choice and opportunity to better manage the resources within their jurisdiction.

This bill has undergone a fair amount of scrutiny, and with just cause. Cities and towns have expressed their concern for overlapping tax and assessment<sup>authority</sup>, tribal nations have expressed similar concerns regarding their sovereignty from outside governments.

I am glad that these concerns have been raised, and I thank this committee and legislature for enabling good discussion and debate on these matters. The process has served us well in this case, and through the drafting of many amendments, we have alleviated uncertainty.

I would ask you for a do pass on this bill today. I strongly believe that this legislation is the *Lifeline for the High Line*, and will provide all Montanans the opportunity to build better management of the resources within their communities. Granting these communities with the opportunity to create a Regional Resource Authority will ensure the region's future water supply and economic stability through a collaborative effort of all counties and stakeholders within the Milk River Basin. Thank you and I ask for your support on SB 8.